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E.O. 12958 DECL: N/A  
TAGS: [ECON](#) [ETRD](#) [ER](#)  
SUBJECT: ERITREA: TRADE AGREEMENT COMPLIANCE AND MONITORING  
  
REF: STATE 152063

11. (U) In response to reftel, post provides the following response. The GSE strictly controls the economy of Eritrea. Information is difficult to obtain. The government does not encourage private sector growth and nearly all trade is conducted by the GSE or the government's political party owned enterprises. Since Jan 2005, the GSE has severely limited imports.

12. (U) Eritrea has limited trade partnerships and does not maintain formal trade relationships with its immediate neighbors, Sudan and Eritrea. Eritrea does engage in trade with regional partners, such as Djibouti, Yemen, UAE and Saudi Arabia and with Italy, however, the Article IV Consultation for 2005 estimated 2005 exports at a total of USD 12 million, with manufactured goods, such as textiles, being only an estimated 10 percent of exports. At this time, post is unaware of Eritrea participating in any free trade agreements.

13. (U) Post will continue to monitor Eritrea's trade relations and report on significant changes. Post meets with government officials, members of the local business community and with the Eritrean National Chamber of Commerce to discuss trade issues.

14. (U) Post's primary contact for compliance is: Holly Holzer, Political and Economic Officer. Phone: 291-1-12-00-04/Fax: 291-1-12-75-84. Email: holzerhc@state.gov

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